<u>**Hearing Date and Time: January 28, 2008 at 10:00 a.m. (Prevailing Eastern Time)**</u>

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
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In re :   :   Case No. 08-13555 (JMP)
                                    :

LEHMAN BROTHERS HOLDINGS, INC.,   :
<u>et</u> <u>al</u>.,   :   (Jointly Administered)
                                    :

                  Debtors   :   (Chapter 11)
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**OBJECTION OF BREMER FINANCIAL CORPORATION IN OPPOSITION TO THE
DEBTORS' MOTION FOR AN ORDER APPROVING CONSENSUAL ASSUMPTION
AND ASSIGNMENT OF PREPETITION DERIVATIVE CONTRACTS**

       Bremer Financial Corporation ("Bremer") submits this objection to the Debtors' Motion

for an Order approving the consensual assumption and assignment of prepetition derivative

contracts (the "Consensual Motion") and in support of this objection states as follows:

BACKGROUND

       1.   Bremer previously served and filed with this Court it objection to the Debtors'

Motion for an Order pursuant to Sections 105 and 365 of the United States Bankruptcy Code to

establish procedures for the settlement or assumption and assignment of prepetition derivative

contracts ("Bremer's Objection to Procedures Motion"; Docket No. #1899). The background

concerning the Bremer Derivative Contract, as defined in Bremer's Objection to Procedures

Motion, as well as the facts relevant to Bremer's objection to the Motion are set forth in Bremer's Objection to Procedures Motion, which is incorporated herein by reference.

2.   As explained in Bremer's Objection to Procedures Motion, Bremer and Lehman Brothers Special Financing Inc. ("LBSF") are parties to the Bremer Derivative Contract and Lehman Brothers Holdings Inc., ("LBHI") is the Credit Support Provider under the Bremer Derivative Contract.

3.   On September 15, 2008, LBHI filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with this Court.

4.   On October 3, 2008, LBSF filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with this Court.

5.   Bremer has not declared the Bremer Derivative Contract to be in default due to, among other things, the defaults triggered by the bankruptcy filings of, respectively, LBSF and LBHI. By virtue of these and other defaults discussed in Bremer's Objection to Procedures Motion, Bremer has the right to declare the Bremer Derivative Contract to be in default, among other things. Bremer reserves all rights with respect to these defaults.

OBJECTION

6.   The Consensual Motion purports to apply only to derivative contracts where (a) the parties consent to assignment or (b) the agreements provide for assignment without consent. Bremer does not consent to assignment of the Bremer Derivative Contract at this time. Further, pursuant to Section 7 of the Bremer Derivative Contract, the agreements cannot be transferred by LBSF without Bremer's prior written consent. Accordingly, the Consensual Motion should not apply to the Bremer Derivative Contract or the transactions thereunder.

7.   To the extent that the Debtors may contend that the Consensual Motion applies to the Bremer Derivative Contract or transactions thereunder, Bremer objects to the Motion for all the reasons stated in Bremer's Objection to Derivative Motion and to the extent that the Debtors are required to proceed in accordance with Bankruptcy Rule 6006.

<div align="center">**CONCLUSION**</div>

WHEREFORE, Bremer respectfully requests that the Court determine that the Consensual Motion does not apply to Bremer and the Bremer Derivative Contract or, in the alternative, deny the Motion as to Bremer and grant Bremer such further relief as the Court may deem just and proper.

Dated: Minneapolis, Minnesota
     January 23, 2009

**FABYANSKE, WESTRA, HART &
THOMSON, P.A.**

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